

**Meeting of the Central Valley Flood Protection Board
August 15, 2008**

**Draft Staff Report
DWR Floodway Protection Section**

Item

Consider approval of Permit No. 18322 (Attachment A) to drill a natural gas well, construct production pad and install 2.65 miles of pipeline within the Yolo Bypass.

Applicant

Kebo Oil and Gas, Inc.

Location

The project is located east of Davis and south of I-80. (Yolo Bypass, Yolo County, see Attachment B).

Description

To drill a natural gas well, construct production pad and install 2.65 miles of pipeline within the Yolo Bypass.

Agency Comments and Endorsements:

- The U. S. Army Corps of Engineers endorsement has not been received but is anticipated to be received prior to the August 15, 2008 Board meeting.
- There is no non-federal endorsing agency for this project.

CEQA Findings:

Board staff is still preparing the following CEQA findings and are awaiting documentation from the Department of Fish and Game necessary to complete the findings. Staff anticipates receipt of DFG documents in time to complete the findings prior to the August 15 board meeting.

The Board, acting as a responsible agency under CEQA, has independently reviewed the Initial Study, Negative Declaration and mitigation measures (April 2008) for the Kebo Oil & Gas, Inc., Glide 14-1 Natural Gas Well Project (SCN 2008042078) prepared by the lead agency, the California Department of Fish and Game (DFG). The Initial Study, Negative Declaration, and mitigation measures may be viewed or downloaded from the Central Valley Flood Protection Board website at <http://www.cvfpb.ca.gov/meetings/2008/08-15-2008.cfm> under a link for this agenda item.

Mitigation measures were incorporated into the project design to reduce potentially significant impacts to less than significant. Mitigation measures address impacts to: [this paragraph is pending receipt of DFG documents].

Based on its independent review of the DFG Initial Study, Negative Declaration, and mitigation measures the Board finds that although the proposed project could have significant environmental impacts there will be no significant impacts in this case because DFG has incorporated mandatory mitigation measures into the project plans that will reduce the level of significance to less than significant after mitigation.

Section 8610.5 Compliance

1. Evidence that the Board admits into its record from any party, State or local public agency, or nongovernmental organization with expertise in flood or flood plain management:

The Board will make its decision based on the evidence in the permit application and attachments, this staff report, and any other evidence presented by any individual or group.

2. The best available science that related to the scientific issues presented by the executive officer, legal counsel, the Department or other parties that raise credible scientific issues.

The accepted industry standards for the work proposed under this permit as regulated by Title 23 have been applied to the review of this permit.

3. Effects of the decision on the entire State Plan of Flood Control:

This project has no effects on the State Plan of Flood Control.

4. Effects of reasonable projected future events, including, but not limited to, changes in hydrology, climate, and development within the applicable watershed:

None.

Staff Recommendation

Upon completion of the above CEQA findings staff will recommend that the Board adopt the CEQA findings, approve the permit, and direct staff to file a Notice of Determination with the State Clearinghouse.

List of Attachments

- A. Permit
- B. Location maps

DRAFT

STATE OF CALIFORNIA
THE RESOURCES AGENCY
CENTRAL VALLEY FLOOD PROTECTION BOARD

PERMIT NO. 18322 BD

This Permit is issued to:

Kebo Oil and Gas, Inc.
607 Railroad Avenue
Portland, Texas 78374

To drill a natural gas well, construct production pad and install 2.65 miles of pipeline within the Yolo Bypass. The project is located east of Davis and south of I-80 (Section 14, T8N, R3E, MDB&M, Yolo Bypass, Yolo County).

NOTE: Special Conditions have been incorporated herein which may place limitations on and/or require modification of your proposed project described above.

(SEAL)

Dated: _____

Executive Officer

GENERAL CONDITIONS:

ONE: This permit is issued under the provisions of Sections 8700 – 8723 of the Water Code.

TWO: Only work described in the subject application is authorized hereby.

THREE: This permit does not grant a right to use or construct works on land owned by the Sacramento and San Joaquin Drainage District or on any other land.

FOUR: The approved work shall be accomplished under the direction and supervision of the State Department of Water Resources, and the permittee shall conform to all requirements of the Department and the Central Valley Flood Protection Board.

FIVE: Unless the work herein contemplated shall have been commenced within one year after issuance of this permit, the Board reserves the right to change any conditions in this permit as may be consistent with current flood control standards and policies of the Central Valley Flood Protection Board.

SIX: This permit shall remain in effect until revoked. In the event any conditions in this permit are not complied with, it may be revoked on 15

day's notice.

SEVEN: It is understood and agreed to by the permittee that the start of any work under this permit shall constitute an acceptance of the conditions in this permit and an agreement to perform work in accordance therewith.

EIGHT: This permit does not establish any precedent with respect to any other application received by the Central Valley Flood Protection Board.

NINE: The permittee shall, when required by law, secure the written order or consent from all other public agencies having jurisdiction.

TEN: The permittee is responsible for all personal liability and property damage which may arise out of failure on the permittee's part to perform the obligations under this permit. If any claim of liability is made against the State of California, or any departments thereof, the United States of America, a local district or other maintaining agencies and the officers, agents or employees thereof, the permittee shall defend and shall hold each of them harmless from each claim.

ELEVEN: The permittee shall exercise reasonable care to operate and maintain any work authorized herein to preclude injury to or damage to any works necessary to any plan of flood control adopted by the Board or the Legislature, or interfere with the successful execution, functioning or operation of any plan of flood control adopted by the Board or the Legislature.

TWELVE: Should any of the work not conform to the conditions of this permit, the permittee, upon order of the Central Valley Flood Protection Board, shall in the manner prescribed by the Board be responsible for the cost and expense to remove, alter, relocate, or reconstruct all or any part of the work herein approved.

SPECIAL CONDITIONS FOR PERMIT NO. 18322 BD

THIRTEEN: All work approved by this permit shall be in accordance with the submitted drawings and specifications except as modified by special permit conditions herein. No further work, other than that approved by this permit, shall be done in the area without prior approval of the Central Valley Flood Protection Board.

FOURTEEN: The Central Valley Flood Protection Board and the State of California and/or any department(s) thereof shall not be held liable for damage(s) to the herein permitted project resulting from release(s) of water from reservoirs, flood fight, operation, maintenance, inspection, or emergency repair.

FIFTEEN: The permittee is responsible for all liability associated with construction, operation, and maintenance of the herein permitted project and shall defend and hold harmless the Central Valley Flood Protection Board and the State of California and/or any department(s) thereof from any liability or claim(s) of liability associated therewith.

SIXTEEN: The permittee shall contact the Department of Water Resources by telephone, (916) 574-1213, and submit the enclosed postcard to schedule a preconstruction conference. Failure to do so at least 10 working days prior to start of work may result in delay of the project.

SEVENTEEN: No construction work of any kind shall be done during the flood season from November 1st to April 15th without prior written approval of the Central Valley Flood Protection Board.

EIGHTEEN: No excavation shall be made or remain in the Yolo Bypass during the flood season from November 1st to April 15th without prior written approval of the Central Valley Flood Protection Board.

NINETEEN: All cleared trees and brush shall be completely burned or removed from the Yolo

Bypass, and downed trees or brush shall not remain within the bypass during the flood season from November 1st to April 15th.

TWENTY: Any earth pad or access road constructed at the well location shall not be higher than one foot above adjacent ground elevation.

TWENTY-ONE: Material(s) excavated during sump construction shall not be spoiled higher than 3 feet above the adjacent ground elevation.

TWENTY-TWO: Upon completion of well drilling activities, any sump constructed/excavated for drilling shall be completely backfilled to the original ground level in 4- to 6-inch layers and compacted to the density of the adjacent undisturbed material.

TWENTY-THREE: Drilling fluids shall be properly disposed of outside of the floodway. Drilling fluids shall not be used as backfill.

TWENTY-FOUR: Before work starts on permanent production facilities/structures at the well site, a detailed plan of these structures shall be provided to the Central Valley Flood Protection Board.

TWENTY-FIVE: Fences shall not be installed around the perimeter of production facilities and/or structures at the well-head.

TWENTY-SIX: For producing gas wells within floodways, a remotely actuated rapid-closure device shall be installed in the pipeline waterward of the levee section or at the well head that is operable during the design flood event. The design flood stage at the project site is 23.3 feet, NGV Datum.

TWENTY-SEVEN: Any/all gas pipeline(s) within the Yolo Bypass shall be buried with a minimum of 2 feet of cover.

TWENTY-EIGHT: Backfill material for excavations for pipeline construction shall be placed in 4- to 6-inch layers and compacted to at least the density of the adjacent, firm, undisturbed material.

TWENTY-NINE: Permanent, ferromagnetic, location markers shall be placed to identify the pipeline's alignment.

THIRTY: Should the well be nonproductive, prior to abandonment, the drill hole shall be completely grouted and the area restored to the condition that existed prior to start of work.

THIRTY-ONE: All debris generated by this project shall be disposed of outside the bypass.

THIRTY-TWO: The project site shall be restored to at least the condition that existed prior to commencement of work.

THIRTY-THREE: Debris that may accumulate on the permitted encroachment(s) and related facilities shall be cleared off and disposed of outside the floodway after each period of high water.

THIRTY-FOUR: The permittee may be required, at permittee's cost and expense, to remove or alter all or any part of the herein permitted project if removal or alteration is necessary as part of or in

conjunction with any present or future flood control plan or project or if damaged by any cause. If the permittee does not comply, the Central Valley Flood Protection Board may remove or modify the herein permitted project at the permittee's expense.

THIRTY-FIVE: The permitted encroachment(s) shall not interfere with operation and maintenance of the flood control project. If the permitted encroachment(s) are determined by any agency responsible for operation or maintenance of the flood control project to interfere, the permittee shall be required, at permittee's cost and expense, to modify or remove the permitted encroachment(s) under direction of the Central Valley Flood Protection Board Board. If the permittee does not comply, the Board may modify or remove the encroachment(s) at the permittee's expense.

THIRTY-SIX: If the project, or any portion thereof, is to be abandoned in the future, the permittee or successor shall abandon the project under direction of the Central Valley Flood Protection Board and Department of Water Resources, at the permittee's or successor's cost and expense.

THIRTY-SEVEN: The permittee shall comply with all conditions set forth in the letter from the Department of the Army dated X XX, 2008, which is attached to this permit as Exhibit A and is incorporated by reference.



Kebo Oil & Gas, Inc.
507 Railroad Drive
Portland, Texas 78374

Figure 1
KEBO GLIDE 14-1 EXPLORATORY NATURAL GAS WELL PROJECT
Project Vicinity Map



Source: National Geographic TOPOI 2003 Map

Robert A. Bocher Consulting
Environmental Planning & Management
3221 Quail Hollow Drive
Fairfield, California 94533
Telephone (707) 399-7835



Figure 2
KEBO GLIDE 14-1 EXPLORATORY NATURAL GAS WELL PROJECT
 Project Location Map